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C O N F I D E N T I A L SECTION 01 OF 02 KUALA LUMPUR 002159

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TAGS: [PREL](#) [PINR](#) [PTER](#) [MOPS](#) [EAID](#) [KISL](#) [RP](#) [TH](#) [MY](#)  
SUBJECT: MALAYSIA MFA ON MILF TALKS, THAI UNREST

REF: A. KUALA LUMPUR 1976 - SURAYUD VISITS MALAYSIA

[1](#)B. KUALA LUMPUR 1812 - DEADLOCK IN MILF TALKS

Classified By: POLITICAL SECTION CHIEF MARK D. CLARK, REASON 1.4 (B AND D).

Summary

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[1](#)1. (C) A senior Malaysian Foreign Ministry official charged with Southeast Asia told us November 21 that the next round of GRP-MILF talks would take place in December with Malaysia's Othman Abdul Razak remaining the facilitator. The GRP reportedly had readied a partial compromise on territorial issues following President Arroyo's meeting with Prime Minister Abdullah in China. Malaysia envisioned substantial palm oil investments in Mindanao. On southern Thailand, the official said Malaysia would boost development projects along the common border and would not forcibly repatriate ethnic Malays who cross over. The GOM valued stability in the region in order to enhance investment opportunities and prevent problems from spilling over into Malaysia. End Summary.

Philippines and MILF Talks

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[1](#)2. (C) We called on Ambassador Kamarudin Mustafa, Under Secretary, Southeast Asia and Pacific Division (I), at

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Malaysia's Foreign Ministry on November 21 in order to discuss Malaysia's current views of the Moro Islamic Liberation Front (MILF) peace process and southern Thailand. On the Philippines, Kamarudin stated that the October 30 meeting in Nanning, China, between Prime Minister Abdullah and GRP President Arroyo took place at the latter's request. Kamarudin believed Abdullah encouraged Arroyo to compromise further in the MILF negotiations. The GOM, whether at the head of state level or below, also had indicated to the GRP that Malaysia would not continue its role in Mindanao indefinitely absent some progress in the talks, although Kamarudin described this in terms of sentiment rather an ultimatum. He noted that Malaysia currently provided 52 members for the International Monitoring Team (IMT) in Mindanao.

[1](#)3. (C) Kamarudin affirmed that the next round of GRP-MILF talks would take place in December, but he did not know if the dates had been finalized. Malaysia's Othman Abdul Razak would continue in his role as facilitator for the December round. (Comment: Othman operates out of the Prime Minister's Office, rather than the Foreign Ministry. End

Comment.) Kamarudin understood that the GRP would present a partial compromise on the ancestral domain/territorial issue.

Although the GRP had not yet shared its offer, this apparently would focus on areas of mixed Muslim and Christian populations and provide for land swaps. Out of the just concluded APEC summit, Kamarudin also had heard rumors of Philippines officials using the term "self-determination" and he was interested in finding out if these were true and of any importance.

14. (C) Malaysia viewed economic development as key to peace in Mindanao and welcomed increased international donor attention from Japan, the EU and Australia. Malaysian companies would like to make major investments in palm oil plantations in the southern Philippines, Kamarudin said, and Malaysian planners had included Mindanao in their long-term palm oil bio-fuel investment strategy. Previous Malaysian investments in palm oil had foundered on the issue of uncertain land ownership. Kamarudin noted increased transportation links between Mindanao and Malaysia's Sabah state, including twice weekly flights between Zamboanga City and Sabah along with new ferry routes. We reminded Kamarudin of the U.S. focus on development and our own substantial USAID peace-building program in Mindanao.

Unrest in Southern Thailand  
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15. (C) Kamarudin reconfirmed that Thailand had not offered any role to the GOM in brokering talks with ethnic Malays in the violence-prone south. Thailand was wary of involving Malaysia and did not necessarily trust Malaysia's intentions.

Instead, Thailand was considering an approach to a northern European organization or country. For its part, Malaysia was not lobbying for a role and fully respected Thailand's sovereignty in the matter. Malaysia would focus its efforts on bolstering activities under the integrated development

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strategy for the border area with the intention of improving economic conditions for Malays on both sides. Kamarudin noted a major cross-border bridge being built in the border state of Kelantan, a project jointly funded by the two countries.

16. (C) Former Malaysian Prime Minister Mahathir had carried out two rounds of talks in late 2005 and early 2006 in Langkawi with southern Thai figures, Kamarudin recounted. Mahathir did so with the Thai King's apparent blessing, and the GOM's knowledge, but Kuala Lumpur did not specifically approve or encourage Mahathir in this role. Mahathir achieved little because his ethnic Malay interlocutors from Thailand had little relevance to the current violence. Kamarudin admitted that the GOM could not accurately identify the persons behind the current violence, but recognized that criminal gangs and rivalries among Thai security forces could play a part. The GOM had picked up rumors of former Prime Minister Thaksin's hand in fomenting violence, but had no basis to judge these reports. The GOM saw no sign yet of "outside elements" (such as Muslim extremists from the region) joining in the violence, but recognized the risk if the unrest continued.

17. (C) In recent discussions between Malaysia and Thailand, Kamarudin explained, Malaysian officials urged the Thai to use the term "Thai Malays" rather than "Thai Muslims" to refer to the ethnic Malays in the south. The unrest fundamentally has an ethnic basis, rather than a religious one. Malaysian officials told visiting interim Prime Minister Surayud and others that the Thai Malays wanted "autonomy," but the Thai reacted negatively and equated this with independence. Malaysian diplomats were now referring to Bangkok's special administrative status as a possible example for the south.

18. (C) Malaysia would not forcibly return Thai Malays to

Thailand absent specific guarantees for their safety, Kamarudin stated. In earlier years, Malaysia had returned some Thai Malays whom Thai security forces subsequently had abducted and killed. He cited three cases in the 1990's. The Thai and the GOM recently had reapproached the 130 or so Thai Malays quartered in Terengganu, but none were willing to return to Thailand. Thai officials had not identified any more individuals among this group as security risks. At some point, involvement of the International Committee of the Red Cross in monitoring returnees' safety might help address Malaysia's concerns.

#### Regional Stability and Self Interest

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19. (C) After surveying Malaysia's contributions to conflict resolution in Aceh and East Timor as well as Mindanao, Kamarudin said Malaysia pursued a policy of promoting regional stability in Southeast Asia, and described this in terms of national self interest. Malaysia sought new areas of investment in the sub-region to maintain its growth, including in Indonesia, the southern Philippines and southern Thailand. Resolving conflicts in the neighborhood would open up new investment opportunities. In addition, Malaysia wished to avoid spill-over effects from conflicts close to its borders, including refugee flows. Kamarudin noted ASEAN's first-ever meeting of defense ministers, planned for 2007, as an incremental step in ASEAN's willingness to engage on regional security issues.

#### Comment

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110. (C) Malaysia's Foreign Ministry is not in the driver's seat in terms of the country's involvement in the MILF peace talks. Kamarudin's comments are interesting nonetheless in reflecting Malaysia's continued willingness to play the facilitator role and remain engaged despite disappointment over lack of recent progress. Kamarudin focused more on Malaysia's economic interest in Mindanao than most officials we have encountered. His description of Malaysia's view of southern Thailand tracks with comments from other contacts. Malaysia does not anticipate Thailand offering it a peacemaking role, and does not intend to lobby actively for one. The GOM will readily reiterate its respect for Thailand's sovereignty in the matter while not putting undue pressure on Thai Malays in the border area.

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